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TO RUEHC/SECSTATE WASHDC IMMEDIATE 8317
RUEHZK/ECOWAS COLLECTIVE PRIORITY
RUEHUJA/AMEMBASSY ABUJA PRIORITY 8154
INFO RUEHWR/AMEMBASSY WARSAW 0054
RUEHCD/AMCONSUL CIUDAD JUAREZ 0026
RUEHIT/AMCONSUL ISTANBUL 0033
RUEHSO/AMCONSUL SAO PAULO 0065
RUFOADA/JAC MOLESWORTH AFB UK
RUEKJCS/SECDEF WASHINGTON DC
RUCPDOC/DEPT OF COMMERCE WASHDC
RHEBAAA/DEPT OF ENERGY WASHINGTON DC
RUEATRS/DEPT OF TREASURY WASHDC
RUEAIIA/CIA WASHINGTON DC
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C O N F I D E N T I A L LAGOS 001449

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DOE FOR GPERSION, CGAY
TREASURY FOR ASEVERENS, SRENENDER, DFIELDS
COMMERCE FOR KBURRESS
STATE PASS USTR FOR ASST USTR SLISER
STATE PASS TRANSPORTATION FOR MARAD
STATE PASS OPIC FOR ZHAN AND MSTUCKART
STATE PASS TDA FOR NCABOT
STATE PASS EXIM FOR JRICHTER
STATE PASS USAID FOR GWEYNAND AND SLAWAETZ

E.O. 12958: DECL: 12/27/2016

TAGS: EPET ENERG SOCI ASEC PTER NI

SUBJECT: FUEL SHORTAGES, POVERTY ARE BACKDROP TO PIPELINE EXPLOSION

Classified By: Consul Alan Latimer for Reasons 1.4 (B,D)

¶1. (C) Fuel leaking from a pipeline breached by vandals in the early hours of December 26 exploded, killing 269 people and injuring an additional 160 persons in the blast and ensuing fire, according to the Nigerian Red Cross. Early press reports put the number of deaths at 700, and some reports placed the number closer to 1,000.

¶2. (C) According to Dr. Levi Adjuonuma, General Manager for Public Affairs, Nigerian National Petroleum Corporation (NNPC), residents of the crowded Abule Egba district were scooping the escaping oil into plastic canisters when the fuel ignited. As reported in the media, Lagos had been experiencing a fuel shortage during the three week run-up to the Christmas/New Years/Eid el Adha holiday season, a period during which Nigerians travel to their home villages to spend the holidays with their families. Queues at gas stations reached for blocks and public transportation was in short supply. The market price of fuel, which is usually Naira 65 per liter, soared to Naira 200 per liter.

¶3. (C) According to Adjuonuma, another pipeline had been vandalized earlier in the month; that incident went unreported by the media but exacerbated an already existing fuel shortage. An oil industry contact blamed bad planning by oil importers who had inadequate supplies scheduled for delivery at Lagos port. Another industry contact placed the blame for the shortage on NNPC officials who reportedly delayed authorization to off-load fuel for a week until guaranteed a slice of the profits. The contact also indicated that the NNPC is behind in paying importers for fuel.

¶4. (C) Comment: NNPC warned the public of the dangers of

trafficking in illegally bunkered fuel only days before the incident. However, the Nigerian lower class is struggling to make ends meet. With many families unable to afford school fees for their children or even breakfast for every child every day, income from illegally bunkered fuel is too tempting for them to ignore.

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